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STATE FOR WHA/CAN, EB/ESC/ISC USDOE FOR IA (DEUTSCH)

E.O. 12958: N/A

TAGS: ENRG EPET EINV PREL PGOV

SUBJECT: MAINE AND NEW BRUNSWICK COMMIT TO DEVELOPING NORTHEAST ENERGY CORRIDOR

- 11. New Brunswick Premier Shawn Graham and Maine Governor John Baldacci announced on March 25 that they will work together to explore development of the northeast energy corridor. Irving Oil of Saint John will also be involved in the concept which would see the state and province create an energy highway between the two jurisdictions. The goal is to have electricity, natural gas and petroleum products flow more easily from New Brunswick to the U.S. market with an emphasis on renewable power (including wind and tidal) and natural-gas-fired co-generation. Irving Oil's role will be to develop a complex series of energy projects in partnership with other companies outside New Brunswick.
- 12. Comment: The governor and premier are hoping that their new commitment will eventually lead to further secure energy supplies and energy independence for both jurisdictions. However, as Irving Oil reps have acknowledged, this undertaking comes at "particularly challenging" time given the present economic climate. Post will be discussing this concept with our energy contacts over the coming weeks to learn more about the details and just what the expected impact will be on new energy supplies for the U.S. Northeast. End comment

FOSTER